

BAY RESTORATION FUND ADVISORY COMMITTEE

Maryland Department of the Environment

Join by phone

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And Keep Your Phone Muted Unless Speaking

October 15, 2020

1:00 p.m. to 4:00 p.m.

Meeting Agenda

- Introduction – Chris Murphy, Acting Committee Chairman
- Approve previous meeting minutes – Chris Murphy, Acting Committee Chairman
- Update on Major and Minor WWTPs ENR Implementation – Walid Saffouri, MDE
- Update on Clean Water Commerce Solicitation – Walid Saffouri, MDE
- Update on Cover Crops Activities – Norman Astle, MDA
- Update on Onsite Sewage Disposal Systems (OSDS) – Jeff Fretwell, MDE
- Update on BRF Fee Collection and Budget – Jeff Fretwell, MDE
- Update on HB78 Implementation – Jeff Fretwell, MDE
- O&M Grant Proposed Change and WIP – Gregory Busch, MDE and Chris Pomeroy, MAMWA
- Next meetings and other administrative issues to be discussed with the committee – Chris Murphy, Acting Committee Chairman
- 2021 Pre-Scheduled Meetings:
 - Thursday, January 14, 2021
 - Thursday April 16, 2021
 - Thursday July 15, 2021
 - Thursday October 14, 2021
- ADJOURNMENT

BAY RESTORATION FUND ADVISORY COMMITTEE

Maryland Department of the Environment

Virtual Meeting

July 16, 2020

Meeting Minutes

Welcome/Introduction

- The meeting was opened by Mr. Chris Murphy, Acting Chairman of the Bay Restoration Fund Advisory Committee.
- Mr. Murphy welcomed the committee members and other attendees.

Review of Meeting Minutes

- Previous meeting minutes from the January 16, 2020 meeting were shared with the committee members for their review and comments. An electronic copy of the meeting minutes was also e-mailed to the committee members prior to the meeting.
- Mr. Murphy asked if anyone had any questions, comments, or a motion to approve. The minutes were approved and they will be posted on the web.

Discussion

I. Update on Major and Minor WWTPs ENR Implementation:

- Mr. Saffouri provided an update on major WWTPs. Currently, there are only two WWTPs under construction and one in planning. Patapsco has completed the construction and appears to be optimizing the ENR operation. Optimization should be completed, and the plant should be meeting ENR by the end of the year.
- There has been no change in status of minor plants since the last committee meeting. Construction is progressing well at the plants that are under construction. Some plants such as Betterson and Oxford are very close to completion.

II. Update on Clean Water Commerce Act:

- Mr. Saffouri provided an update on the Clean Water Commerce Act. In April, the Board of Public Works approved up to \$8.18 million in grants for Broadneck and Annapolis Water Reclamation Facilities, owned by Anne Arundel County, to achieve treatment level and performance exceeding the enhanced nutrient removal (ENR) in order to provide additional nitrogen, phosphorus and sediment reductions from the original ENR goals. MDE will purchase the verified additional reductions every year for five years.
- In December 2019, MDE solicited for FY21 CWCA authorized funds (\$10 million). On January 31st, MDE received 7 proposals, 6 were from WWTPs and only one was from a nonpoint source practice. Some potential applicants complained that they did not have enough time to develop their proposals and submit their applications by the deadline. MDE decided to reject all proposals and re-solicit to allow for more time and competition. On June 1st, MDE received 14 proposals for the second solicitation; 8 were from WWTPs and 6 were from nonpoint source practices. MDE is currently evaluating the new proposals.
- Mr. Murphy asked about the future CWCA. Mr. Saffouri responded that FY21 is the last year with authorized funding under the current legislation. Unless a new legislation passes to authorize more funding, the CWCA is done.
- Mr. Myers advised that he has received many complaints that the wastewater sector is heavily subsidized with grants funding for the upgrades, while the nonpoint sector would have to include the cost of the upgrades in their proposed prices positioning them at a huge disadvantage in the bidding process. Mr. Saffouri responded that we are aware of this issue. However, based on the current law and regulations, we cannot do anything to resolve it. The current regulations have specific instructions and criteria on the proposals rating, ranking and selection process. Mr. Fretwell added that stakeholders were involved in the development the regulations.
- Mr. Ball added that the overachievements of the wastewater sector through the CWCA may end up helping the other sectors (nonpoint, septic, etc.) because these sectors can be required to achieve less reductions under future agreements and TMDL recalculations.
- Mr. Myers stated that it is not clear what these reductions are offsetting. Also, any needed offset can be done through the trading program. The state does not need to do the purchases. Mr. Fretwell responded that the CWCA predated the trading program, so trading was not available as an option when the CWCA was established.
- Mr. Myers added that if the CWCA is reauthorized, factors other than the cost per pound should be considered. He would be happy to assist in setting the priorities of the new program. Mr. Hoffman stated that the Commission is actively working on a new version of the CWCA for the next session. He will certainly take Mr. Myers up on his offer.

- Mr. Pomeroy added that MAMWA supports Bay Commission efforts to re-authorize the CWCA and offers its assistance. Mr. Murphy added that the Committee would also be interested in this discussion and can provide some input into the legislation.

III. O&M Grant Proposed Change to Regulations:

- Mr. Saffouri presented a proposed change to the BRF regulations. The change would allow MDE to pay additional O&M grants to the wastewater treatment plants that achieve better than the ENR goals (3 mg/l total nitrogen and 0.3 mg/l total phosphorus). The proposed change was in response to MAMWA's request to MDE to increase the O&M grants. The proposal was presented to MAMWA, who provided a counter proposal to provide the additional grants based on flows above 10 MGD instead of being based on the additional load reduction.
- Mr. Saffouri also explained where the additional grants will be coming from. MDE is authorized to provide up to 10% of the BRF-Wastewater fee revenue toward O&M grants for facilities that can achieve ENR (3 mg/l TN and 0.3 mg/l TP). BRF-Wastewater fee revenues have a slight variation from year to year, but they have been above \$110 million in recent years. Therefore, MDE can award close to \$11 million a year in O&M grants. The grant eligibility is structured to utilize the full \$11 million when all the 67 major facilities and up to 60 minor plants are meeting ENR. Currently, not all the targeted facilities are achieving ENR and there is remaining balance that can be used to cover the proposed additional grants. For example in FY20, the unused balance was approximately \$4.67 million, which was diverted toward capital projects.
- Mr. Murphy asked whether the law would also need to be changed through a legislative action to allow for this. Mr. Fretwell responded that only the regulations need to be changed.
- Mr. Murphy asked whether or not MDE receives enough funding request for capital projects every year to use up the remaining balance from the O&M grants. Mr. Saffouri responded yes, we receive every year more capital project requests than what we have available in funding.
- Mr. Buglass stated that WSSC Water as a member of MAMWA appreciates MDE's efforts to utilize the full authorization of 10% of the fund toward O&M grants. WSSC Water believes that the original legislative intent was to use this fund to meet ENR goals and not toward going beyond ENR.
- Mr. Ball asked for confirmation that the \$4.67 million in the presented spreadsheet currently go toward capital projects such as SSO and CSO control. Mr. Saffouri responded yes.
- Mr. Ball and Mr. Meyers expressed some concerns about diverting some funds that are currently being used effectively toward projects that control sewage overflows. These projects have many public health and environmental justice benefits.

- Mr. Murphy stated that the main objective of the Bay Restoration fund is nutrient reductions. While SSO and CSO are horrible and need to be controlled from the public health prospective, they don't discharge as much nutrients as wastewater treatment plants, septic and stormwater. Mr. Pomeroy added that MAMWA appreciates MDE's efforts to fully use the authorized 10% of the fund towards O&M grants. The purpose of these funds is to help wastewater treatment plants achieve ENR level of treatment and they should not be used for any other purpose. He asked MDE to continue its discussions with MAMWA.
- Mr. Murphy asked MDE to hold the regulations change process to allow for more discussions with the Advisory Committee. MDE agreed.

IV. Update on Cover Crops Activities:

- Mr. Astle provided an update on the Cover Crops Program. MDA is closing FY20 with 488,214 acres planted under 1469 contracts. Due to COVID-19, new applications for FY21 can be accepted by mail because we don't want applicants to apply in person at the local soil conservation district offices. The application forms were mailed to the farmers. Also, they can download the forms online. The completed applications are due back to the districts by July 17th. For this funding year (FY21), the base rate was reduced from \$45 to \$40, and many incentives, such as rye incentive, were eliminated.
- Mr. Murphy asked whether we expect COVID-19 to impact the number of applications and signups this year. Mr. Astle responded that MDA has mailed all the application forms, but we don't know how responding by mail will impact the number of the returned applications. Usually, applicants are able to go the local soil conservation district offices and receive assistance with completing their applications. This currently will not occur due to COVID-19.

V. Update on Onsite Sewage Disposal Systems (OSDS):

- Mr. Fretwell updated the committee on the Onsite Sewage Disposal System (OSDS) funding in FY20. Mr. Fretwell provided a handout showing that 571 BAT upgrades and 258 sewer connections were funded in FY20.
- Mr. Fretwell also reported that in June the Board of Public Works has approved \$15 million in grants allocated to the counties to be used in FY21. Also, the Board approved a one-year extension for the current statewide pricing for BAT units. This is a statewide solicitation that sets reimbursement rates for BAT units, which was set to expire. Because of the current pandemic, we got a request from all the vendors to just extend the current pricing due to the uncertainty in the market. MDE will be working on a new statewide solicitation over the next year.

VI. Update on BRF Fee Collection and Budget:

- Mr. Fretwell updated the committee on the BRF fee collection using the Comptroller's report through June 30, 2020. Mr. Fretwell advised the committee that the report shows the FY20 revenues for the first three quarters, which have a total of roughly \$86 million for the Wastewater Fund (Line 1). The grand total since the start of the program is \$1.28 billion. It is worth noting that the third quarter revenue, \$9.4 million, is significantly lower than what we had last year in the third quarter. This is because the comptroller's office had offered COVID-19 relief, which allowed postponement of all taxes and fees, including the Bay Restoration Fund, until July 15, 2020. As for the Septic Fund (Line 2), third quarter revenues were approximately \$1.2 million. \$728,000 of that was for MDE septic upgrades, and \$486,000 was for MDA cover crops. This brings MDE total to \$15 million and MDA cover crops to \$10 million. The third quarter revenues were also lower for the Septic Fund. The grand total since the start of the program is \$317 million for both the septic and cover crop programs.
- Mr. Murphy asked whether the delay in the fee collection (due to COVID-19 relief) has impacted MDA grants. Mr. Fretwell responded that it has not impacted the grant awards yet.
- Mr. Hoffman asked whether the reductions in MDA grants were due to the Trust Fund declining revenues. Mr. Astle responded yes. Mr. Cohee confirmed that there has been a decline in the Trust Fund revenues because less car rental and gasoline taxes are being collected due to COVID-19. Cover crops revenues from the Trust Fund program were reduced by 5%. Other programs supported by the Trust Fund had more significant reductions.

VII. Update on the Legislative Session:

- Mr. Fretwell provided an update on the legislative session. Three bills passed that may be of interest to the committee.
- The first bill is House Bill 78. This bill expands the criteria used to determine how to allocate funding from the Bay Restoration Fund-Wastewater account by including climate resiliency and flood control as factors for MDE to consider when determining priority of funding of projects. This will not impact the priority of ENR upgrades at major and minor wastewater plants. However, everything else after that; CSO/SSO projects, septic connections and storm water projects, will be impacted in the priority system. The Department, as a result of this legislation, will have to update our regulations dealing with prioritization under the Bay Restoration Fund-Wastewater account, and we'll also have to make changes to our scoring system to reflect more emphasis on these criteria.
- The next bill is House Bill 177. This was a departmental bill to set up a reserve account using 1% of the BRF revenues for MDE to use as a reserve account for emergency situations dealing with dam fixes or removals. The bill passed authorizing MDE to set up a reserve account, but without using any Bay Restoration Fund money.

- The last bill that impacts that Bay Restoration Fund is House Bill 1035. This bill expands the authorized use of the Bay Restoration Fund to include costs associated with connecting a property that is using a septic system to an existing wastewater plant that has signed a funding agreement with MDE, and is under construction to achieve ENR or BNR level of treatment. Under the current statute we are allowed to fund septic connections only if the treatment plant is achieving BNR or ENR. So this bill may allow funding of septic connections about four years earlier, which would mostly help smaller municipalities that are in the process of upgrading. Most major plants have already been upgraded to BNR or ENR.
- Mr. Murphy asked whether the climate resiliency and flood control proposed changes under the first bill will be available in October at the next committee meeting. Mr. Fretwell responded yes we are planning to have the draft ready by the October meeting.

VIII. Mr. Murphy reminded the Committee members that the next meeting will be held on October 15th.

Materials Distributed at the Meeting

- Meeting Agenda
- Previous Meeting Minutes
- Wastewater Treatment Plants ENR Upgrade Status
- Program-to-Date BRF Fee Collection Report (Comptroller Report)
- BRF Septic Program Funded Installations
- House Bill 78
- House Bill 177
- House Bill 1035

Attendance

Advisory Committee Members or Designees Attending:

Chris Murphy, BRF Advisory Committee Acting Chairman
Jeff Fretwell, Maryland Department of the Environment
Walid Saffouri, Maryland Department of the Environment
Bob Buglass, Washington Suburban Sanitary District
Gabe Cohee, Department of Natural Resources
Norman Astle, Maryland Department of Agriculture
Ellen Mussman, Maryland Department of Planning
Sara L. Tresscott, Conference of Local Environmental Health Directors
Doug Myers, Chesapeake Bay Foundation
Susan Gore, Department of Budget and Management
William Ball, Chesapeake Research Consortium
John Dinkel, DBD

Others in Attendance:

Teresa Wong, Mutt MacDonald
Joe Sowinski, HDR
Mark Hoffman, Chesapeake Bay Commission
Justin Fiore, Maryland Municipal League
Chris Pomeroy, Maryland Association of Municipal
Matthew Klein, Department of Legislative Services
Leslie Cook, Department of Legislative Services
Kathleen Kennedy, Department of Legislative Services
Andrew Gray, Department of Legislative Services
Ted Walsh, Department of Budget and Management

Maryland Department of the Environment (MDE) Attendees:

Rajiv Chawla
Greg Busch

Wastewater Treatment Plants ENR Upgrade Status

(October 15, 2020)

Major WWTPs

Status Update:

Previous Meeting

64 facilities are in operation
2 facilities are under construction
0 facilities are under design
1 facilities are in planning
67 total

Current

64 facilities are in operation
2 facilities are under construction
0 facilities are under design
1 facilities are in planning
67 total

Status Changes from Previous Meeting:

- No change in status.

Percentage completion for facilities under construction for ENR Upgrade:

Facility	Previous Meeting Percentage Complete	Current Percentage Complete
Hampstead	65%	80%
Westminster	25%	35%

Minor WWTPs

Status Update:

Previous Meeting

8 facilities are in operation
5 facilities are under construction
5 facilities are under design
11 facilities are in planning
29 total

Current

8 facilities are in operation
6 facilities are under construction
5 facilities are under design
10 facilities are in planning
29 total

Status Changes from Previous Meeting:

- Port Deposit started construction.
- Trout Run-Oakland started design.

Percentage completion for facilities under construction for ENR Upgrade:

Facility	Previous Meeting Percentage Complete	Current Percentage Complete
Port Deposit	0%	61%
Preston	72%	88%
Smith Island	10%	10%
Harbour View	91%	91%
Oxford	97%	99%
Betterton	99%	99%

Update on the Clean Water Commerce Act (CWCA)

CWCA expanded the uses of the Bay Restoration Fund (BRF) to include the costs associated with the purchase of cost-effective nitrogen, phosphorus, or sediment load reductions, not to exceed \$4,000,000 in fiscal year 2018, \$6,000,000 in fiscal year 2019, and \$10,000,000 in fiscal years 2020 and 2021.

FY21 Proposals Received:

In December 2019, MDE solicited for FY21 CWCA authorized funds (\$10 million). On January 31st, MDE received seven proposals, six were from WWTPs and only one was from a nonpoint source practice. MDE decided to reject all proposals and re-solicit to allow for more time and competition. On June 1st, MDE received 14 proposals for the second solicitation; 8 were from WWTPs and 6 were from nonpoint source practices.

Applicant	Nitrogen (\$/Lb/yr)	Phosphorus (\$/Lb/yr)	Sediment (\$/Ton/yr)	Evaluation Results
Patuxent	\$50.00	\$75.00	\$250.00	Selected
Cox Creek	\$50.00	\$75.00	\$250.00	Selected
Winters Run	\$55.20		\$40.00	Selected
Rockville Rest	\$63.50	\$84.10	\$254.70	Not Selected
Pea Hill Branch	\$69.00	\$89.00	\$289.00	Not Selected
North East River	\$72.00	\$94.00	\$250.00	Not Selected
Damascus	\$72.50	\$95.00		Not Selected
Seneca	\$72.50	\$95.00		Not Selected
Parkway	\$72.50	\$95.00		Not Selected
Western Branch	\$75.00	\$99.00		Not Selected
Piscataway	\$75.00	\$99.00		Not Selected
Irvine Old Pond	\$95.95	\$590.77	\$4,022.83	Not Selected
Oyster Aquaculture	\$150.00	\$1,500.00		Not Selected
Cheston Point	\$285.86	\$765.73	\$761.90	Not Selected

FY21 Proposed Grant Awards:

I. Patuxent and Cox Creek Water Reclamation Facilities:

Reduction Type	Estimated Units/Year		Delivery Factor	Unit/Year Delivered	Price per Unit/Year	Total Price/Year
Nitrogen	27,500	Lbs/yr	0.80-1.00	26,000	\$50	\$1,300,000
Phosphorus	850	Lbs/yr	0.75-1.00	759	\$75	\$56,925

Total Annual Price	\$1,356,925
Practice Useful Life (years)	7
Total Over 20 Years	\$9,498,475

II. *Tributaries to Winters Run Stream Restoration by HGS, LLC (a RES company)*

On April 24, 2019, the Board of Public Works approved up to \$4,409,300 in grants for HGS, LLC to restore approximately 6,236 linear feet of degraded stream channel. This action would obligate an additional \$501,525 to purchase additional nitrogen and sediment reductions, thereby increasing the state grant funds from \$4,409,300 to \$4,910,825.

The following were the approved prices and estimated budget for the grant increase:

Reduction Type	Estimated Units/Year		Delivery Factor	Unit/Year Delivered	Price per Unit/Year	Total Price/Year
Nitrogen	1,407.00	Lbs/yr	0.43	605.0	\$50.00	\$30,250.00
Sediment	873.80	Tons/yr	1.03	900.0	\$40.00	\$36,000.00

Total Annual Price	\$66,250
Practice Useful Life (years)	20
Total Available Grants	\$501,525

**BRF Septic Program
 Funded Installations FY20
 July 1, 2019 - June 30, 2020**

County	# Septic Systems funded FY 20	# Sewer Connections funded FY 20
Allegany (CVI)	1	3
Anne Arundel	170	15
Baltimore	26	13
Calvert	94	2
Caroline	27	0
Carroll	17	1
Cecil	46	2
Charles	35	1
Dorchester	42	2
Frederick (CVI)	14	0
Garrett	4	0
Harford	28	5
Howard (CVI)	3	13
Kent	37	0
Montgomery (CVI)	15	1
Prince George's	2	3
Queen Anne's	55	228
Somerset	14	1
St. Mary's	73	4
Talbot	62	18
Washington (CVI)	20	2
Wicomico	32	5
Worcester	19	0
Totals	836	319

**Comptroller of Maryland
Revenue Administration Division
Bay Restoration Fee - By County
Program To Date Through July 31, 2020**

	<u>Sewer</u>	<u>Septic</u>	<u>Liability</u>	<u>Collection</u>	<u>Returns w/\$</u>	<u>Zero \$ Returns</u>	<u>Expenses Claimed</u>	<u>Expenses Paid</u>
100 Allegany	\$ 20,421,654.70	\$ 3,980,489.44	\$ 24,419,315.73	\$ 24,417,781.02	658	75	\$ 243,196.23	\$ 236,711.37
200 Anne Arundel	120,572,071.31	30,373,856.32	151,118,277.80	150,992,285.09	768	268	537,268.01	532,547.20
300 Baltimore County	215,994,358.77	22,705,767.38	238,715,838.54	238,737,709.13	548	144	259,446.29	231,031.17
400 Baltimore City	167,009,142.81	3,022,564.91	170,062,842.27	183,617,723.47	201	120	15,900.14	15,900.14
500 Calvert	5,391,816.61	19,110,644.95	24,543,822.91	24,567,811.56	530	32	344,498.95	323,862.44
600 Caroline	3,647,276.22	6,065,128.54	9,735,297.42	9,735,447.91	494	28	55,103.17	53,572.10
700 Carroll	14,916,725.23	31,071,906.15	46,006,135.44	46,008,837.94	714	119	492,200.35	238,024.93
800 Cecil	12,637,055.19	17,039,374.08	29,886,930.71	29,678,483.73	1,405	134	316,944.81	243,197.10
900 Charles	27,502,028.94	12,354,674.44	39,891,399.01	39,895,033.96	1,474	154	165,952.61	160,551.64
1000 Dorchester	6,822,559.29	7,564,264.49	14,494,566.30	14,575,105.14	444	107	302,620.35	262,252.08
1100 Frederick	45,667,078.60	19,940,275.87	65,609,828.21	65,621,623.65	826	219	1,883,100.84	153,182.97
1200 Garrett	3,800,520.82	5,518,593.98	9,319,502.12	9,321,157.38	288	50	90,971.24	91,044.74
1300 Harford	44,140,298.90	23,091,900.89	67,231,509.00	67,260,153.79	550	160	593,911.21	590,575.71
1400 Howard	68,337,938.63	11,417,137.32	79,767,433.92	79,772,972.55	297	92	73,279.60	69,404.68
1500 Kent	5,090,168.04	3,273,186.85	8,393,151.96	8,325,822.25	489	35	108,744.23	87,615.88
1600 Montgomery	12,128,174.26	10,586,473.33	22,743,130.36	22,726,730.06	522	89	1,766,263.90	966,528.24
1700 Prince George's	430,705,327.44	19,879,712.18	451,449,306.02	461,742,971.43	402	154	4,184,651.19	4,184,358.67
1800 Queen Anne's	8,522,078.12	7,647,540.56	16,204,196.40	16,205,276.33	398	107	423,249.61	418,250.67
1900 St. Mary's	12,877,938.70	18,535,172.88	31,414,084.72	31,418,505.60	404	85	77,565.66	75,185.63
2000 Somerset	3,729,843.61	3,542,441.23	7,294,262.45	7,300,689.21	183	8	403,932.00	307,846.73
2100 Talbot	9,177,099.05	5,894,407.11	15,081,883.60	15,147,632.68	635	31	102,045.37	73,401.50
2200 Washington	29,921,484.27	13,320,742.14	43,273,167.94	43,264,071.56	669	30	248,398.43	224,184.99
2300 Wicomico	14,330,709.42	18,674,638.29	33,075,962.41	33,081,371.37	718	119	410,590.13	405,840.50
2400 Worcester	21,057,746.59	5,657,609.26	26,747,239.67	26,745,191.48	493	108	841,338.62	456,518.52
Undesignated	103,669.43	63,713.21	168,496.03	184,506.83	99	134	20,552.07	5,598.35
Total	\$ 1,304,504,764.95	\$ 320,332,215.80	\$ 1,626,647,580.94	\$ 1,650,344,895.12	14,209	2,602	\$ 13,961,725.01	\$ 10,407,187.95

Note - Some facilities may cross county lines in the performance of services. For example, the Washington Suburban Sanitary Commission is headquartered in Prince George's County and, as such, revenue collected by them is reported under Prince George's County. However, the Commission performs services in more than one county.

**Comptroller of Maryland
Revenue Administration Division
Bay Restoration Fee - By County
Tax Year 2020 Through July 31, 2020**

	<u>Sewer</u>	<u>Septic</u>	<u>Liability</u>	<u>Collection</u>	<u>Returns w/\$</u>	<u>Zero \$ Returns</u>	<u>Expenses Claimed</u>	<u>Expenses Paid</u>
100 Allegany	\$ 771,826.44	\$ 71,700.44	\$ 843,526.88	\$ 843,527.30	18	-	\$ 2,453.55	\$ 2,453.55
200 Anne Arundel	5,371,981.35	499,096.64	5,871,783.10	5,867,566.52	24	-	14,988.34	15,570.67
300 Baltimore County	801,147.92	116,748.72	917,896.64	945,310.24	14	3	300.00	27,636.14
400 Baltimore City	6,641,202.20	76,890.00	6,719,931.72	6,701,222.56	7	2	-	-
500 Calvert	225,524.93	283,727.10	509,252.03	509,254.26	14	1	15,422.99	15,684.22
600 Caroline	120,205.54	67,024.93	187,229.85	189,461.91	14	-	814.00	814.00
700 Carroll	585,906.17	582,837.00	1,169,161.93	1,166,337.03	24	2	16,505.87	9,349.11
800 Cecil	623,303.66	128,347.17	751,677.41	751,803.91	41	1	14,106.89	10,420.97
900 Charles	1,239,443.54	97,685.03	1,337,129.57	1,337,154.79	40	4	8,243.28	7,931.38
1000 Dorchester	160,386.11	309,128.76	469,514.33	473,310.25	14	4	16,349.18	13,012.08
1100 Frederick	2,016,843.06	126,437.15	2,143,344.90	2,143,040.21	26	6	103,271.49	6,484.27
1200 Garrett	130,339.18	68,701.41	199,040.78	199,105.40	8	-	2,665.78	2,739.28
1300 Harford	1,915,389.84	288,334.52	2,203,745.83	2,203,752.13	17	2	12,210.95	13,573.01
1400 Howard	3,007,669.54	134,293.41	3,142,097.75	3,140,757.03	8	1	769.02	1,049.28
1500 Kent	117,029.94	111,307.86	228,337.80	233,527.60	15	1	7,141.25	2,874.50
1600 Montgomery	519,314.56	31,220.99	550,757.93	549,665.12	14	3	58,541.47	23,075.61
1700 Prince George's	18,006,339.23	418,838.10	18,425,178.24	28,695,809.25	11	4	909,183.02	909,183.06
1800 Queen Anne's	390,498.36	54,161.03	444,660.39	445,276.14	11	5	17,870.38	17,551.45
1900 St. Mary's	111,174.22	652,017.97	763,192.19	763,192.19	8	1	1,737.08	1,736.08
2000 Somerset	165,592.52	58,258.81	223,850.59	226,301.53	6	-	6,548.56	8,412.39
2100 Talbot	414,242.87	26,986.03	441,228.84	442,229.21	14	-	2,196.41	2,883.43
2200 Washington	1,331,466.03	191,677.98	1,524,153.86	1,513,886.06	21	-	12,647.54	10,640.38
2300 Wicomico	485,898.56	397,088.22	882,998.22	883,698.67	19	3	5,264.83	5,224.93
2400 Worcester	627,274.01	56,994.11	684,268.12	684,414.38	13	-	28,763.96	11,528.61
Undesignated	63,552.04	22,066.21	85,618.25	92,170.24	11	6	18,308.32	4,020.50
Total	\$ 45,843,551.82	\$ 4,871,569.59	\$ 50,719,577.15	\$ 61,001,773.93	412	49	\$ 1,276,304.16	\$ 1,123,848.90

Note - Some facilities may cross county lines in the performance of services. For example, the Washington Suburban Sanitary Commission is headquartered in Prince George's County and, as such, revenue collected by them is reported under Prince George's County. However, the Commission performs services in more than one county.

**Comptroller of Maryland
Revenue Administration Division
Bay Restoration Fee - By County
Second Quarter of Tax Year 2020 Through July 31, 2020**

	<u>Sewer</u>	<u>Septic</u>	<u>Liability</u>	<u>Collection</u>	<u>Returns w/\$</u>	<u>Zero \$ Returns</u>	<u>Expenses Claimed</u>	<u>Expenses Paid</u>
100 Allegany	\$ 286,387.36	\$ 24,101.95	\$ 310,489.31	\$ 310,489.31	9	-	\$ 1,234.19	\$ 1,234.19
200 Anne Arundel	2,722,934.66	211,607.19	2,934,542.85	2,934,542.97	11	-	6,590.41	6,643.04
300 Baltimore County	336,133.95	26,841.80	362,975.75	390,389.35	7	1	175.00	111.00
400 Baltimore City	3,022,667.04	46,890.00	3,071,396.56	3,052,675.04	4	1	-	-
500 Calvert	102,839.42	115,537.27	218,376.69	218,377.59	7	-	7,729.08	7,804.42
600 Caroline	51,158.42	26,198.72	77,357.14	77,357.14	6	-	120.00	120.00
700 Carroll	284,971.42	265,549.39	550,520.36	551,961.80	12	1	4,642.56	4,475.51
800 Cecil	312,068.18	53,057.46	365,127.92	365,393.42	20	-	7,223.51	5,168.71
900 Charles	540,756.08	38,541.00	579,298.08	579,321.68	22	-	4,119.93	3,985.70
1000 Dorchester	23,982.20	189,529.03	213,511.23	217,304.31	7	2	5,343.16	6,702.88
1100 Frederick	968,560.90	40,150.27	1,008,719.30	1,008,800.29	14	3	50,803.60	3,083.60
1200 Garrett	62,138.30	25,599.03	87,737.33	87,801.95	4	-	1,321.73	1,395.23
1300 Harford	955,137.21	134,674.89	1,089,812.10	1,089,816.69	8	1	6,038.79	6,038.79
1400 Howard	1,443,269.54	58,036.18	1,501,305.72	1,501,336.56	4	1	384.21	525.39
1500 Kent	47,484.47	52,103.05	99,587.52	104,774.52	7	1	3,298.00	1,301.50
1600 Montgomery	248,896.59	3,823.07	252,835.01	251,708.86	7	2	28,970.60	10,946.41
1700 Prince George's	8,922,643.09	208,768.00	9,131,412.00	9,131,412.53	3	4	450,464.11	450,464.11
1800 Queen Anne's	197,652.01	12,394.07	210,047.08	210,663.10	5	3	9,181.52	9,196.02
1900 St. Mary's	57,216.46	325,373.60	382,590.06	382,590.06	5	-	869.04	868.04
2000 Somerset	77,416.79	25,847.97	103,264.76	105,715.56	3	-	3,310.34	5,163.24
2100 Talbot	203,729.33	4,957.43	208,687.07	209,687.07	7	-	1,255.78	1,579.18
2200 Washington	625,925.59	70,943.73	696,870.32	696,872.11	10	-	7,312.80	6,244.90
2300 Wicomico	221,840.94	163,254.09	385,105.01	385,800.70	9	2	2,525.47	2,484.23
2400 Worcester	280,119.54	13,453.06	293,572.60	293,574.56	7	-	4,898.22	3,388.81
Undesignated	61,677.04	20,544.14	82,221.18	82,221.17	6	2	18,258.32	3,984.50
Total	\$ 22,057,606.53	\$ 2,157,776.39	\$ 24,217,362.95	\$ 24,240,588.34	204	24	\$ 626,070.37	\$ 542,909.40

Note - Some facilities may cross county lines in the performance of services. For example, the Washington Suburban Sanitary Commission is headquartered in Prince George's County and, as such, revenue collected by them is reported under Prince George's County. However, the Commission performs services in more than one county.

Comptroller of Maryland
Distribution of Bay Restoration Fee
through July 31, 2020

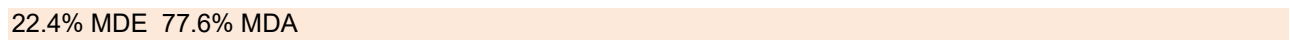
	<u>MD Dept of Environment</u>			
<u>Line 1:</u>				
4/05 - 6/05:				
Total Fiscal Year 2005	\$	7,022,667.18	Total Fiscal Year 2006	\$ 57,686,674.75
Total Fiscal Year 2007	\$	69,141,379.76	Total Fiscal Year 2008	\$ 54,695,910.00
Total Fiscal Year 2009	\$	53,339,463.89	Total Fiscal Year 2010	\$ 54,398,088.37
Total Fiscal Year 2011	\$	55,461,809.59	Total Fiscal Year 2012	\$ 55,971,051.91
Total Fiscal Year 2013	\$	102,145,356.32	Total Fiscal Year 2014	\$ 110,688,785.91
Total Fiscal Year 2015	\$	109,796,411.58	Total Fiscal Year 2016	\$ 124,301,135.01
Total Fiscal Year 2017	\$	115,989,051.47	Total Fiscal Year 2018	\$ 115,308,016.48
Total Fiscal Year 2019	\$	107,545,498.54	Total Fiscal Year 2020	\$ 121,185,706.78

August 2019	\$	-	
September		-	
October		30,410,825.94	
November		-	
December		6,320,876.54	*Distribution_ due to Balto City 2nd & 3rd Qtrs returns
January 2020		39,675,212.34	
February		-	
March		-	
April		9,413,674.01	*includes 7.50 prior period adjustment
May		-	
June		-	
July 2020 accrual		35,365,117.95	
Total FY 2020	\$	121,185,706.78	

Program Grand Total \$ 1,314,677,007.54

<u>Line 2:</u>	<u>MD Dept of Environment</u>	<u>MD Dept of Agriculture</u>	<u>Total Line 2</u>
4/05 - 6/05			
Total Fiscal Year 2005	\$ 156,580.00	\$ 104,386.66	\$ 260,966.66
60% MDE 40% MDA			
Total Fiscal Year 2006	\$ 4,782,770.15	\$ 3,188,513.44	\$ 7,971,283.59
60% MDE 40% MDA			
Total Fiscal Year 2007	\$ 8,094,089.27	\$ 5,396,059.51	\$ 13,490,148.78
60% MDE 40% MDA			
Total Fiscal Year 2008	\$ 8,489,069.61	\$ 5,659,379.72	\$ 14,148,449.33
60% MDE 40% MDA			
Total Fiscal Year 2009	\$ 9,484,117.74	\$ 6,322,745.15	\$ 15,806,862.89
60% MDE 40% MDA			
Total Fiscal Year 2010	\$ 3,118,419.66	\$ 10,803,096.68	\$ 13,921,516.34

22.4% MDE 77.6% MDA



Total Fiscal Year 2011 60% MDE 40% MDA	\$ 8,173,632.20	\$ 5,449,088.14	\$ 13,622,720.34
Total Fiscal Year 2012 60% MDE 40% MDA	\$ 8,271,087.10	\$ 5,514,058.08	\$ 13,785,145.18
Total Fiscal Year 2013 60% MDE 40% MDA	\$ 15,992,799.08	\$ 10,661,866.06	\$ 26,654,665.14
Total Fiscal Year 2014 60% MDE 40% MDA	\$ 16,801,348.71	\$ 11,200,899.10	\$ 28,002,247.81
Total Fiscal Year 2015 60% MDE 40% MDA	\$ 17,456,798.39	\$ 11,637,865.59	\$ 29,094,663.98
Total Fiscal Year 2016 60% MDE 40% MDA	\$ 17,311,866.76	\$ 11,541,244.49	\$ 28,853,111.25
Total Fiscal Year 2017 60% MDE 40% MDA	\$ 17,113,840.66	\$ 11,409,227.10	\$ 28,523,067.76
Total Fiscal Year 2018 60% MDE 40% MDA	\$ 17,811,270.90	\$ 11,874,180.60	\$ 29,685,451.50
Total Fiscal Year 2019 60% MDE 40% MDA	\$ 16,883,720.52	\$ 11,255,813.67	\$ 28,139,534.19
Total Fiscal Year 2020 60% MDE 40% MDA	\$ 17,397,453.75	\$ 11,598,302.51	\$ 28,995,756.26

Fiscal Year 2020	60%	40%	Total
August 2019	\$ -	\$ -	\$ -
September	-	-	\$ -
October	10,797,486.59	7,198,324.40	\$ 17,995,810.99
November	-	-	-
December	-	-	-
January 2020	3,546,472.36	2,364,314.90	5,910,787.26
February	-	-	-
March	-	-	-
April	728,396.87	485,597.92	1,213,994.79
May	-	-	-
June	-	-	-
July 2020 accrual	2,325,097.93	1,550,065.29	3,875,163.22
Total FY 2020	\$ 17,397,453.75	\$ 11,598,302.51	\$ 28,995,756.26

(to date)

Program Grand Total	\$ 187,338,864.50	\$ 133,616,726.50	\$ 320,955,591.00
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Administrative cost recovery by Comptroller

FY 2005	\$ 44,941.58	FY 2014	120,303.41
FY 2006	52,122.42	FY 2015	152,674.27
FY 2007	57,482.53	FY 2016	158,749.94
FY 2008	57,777.62	FY 2017	158,735.88
FY 2009	46,721.16	FY 2018	168,013.19
FY 2010	112,654.00	FY 2019	188,999.78
FY 2011	59,098.66	FY 2020	219,425.05
FY 2012	94,566.86		
FY 2013	102,423.14		

Program Grand Total	\$	<u>1,575,264.44</u>
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.03 Wastewater Fund.

A. Bay Restoration Fund fees deposited into the Wastewater Fund shall be used:

(1) To provide a source of revenue or security for the payment of principal and interest on bonds issued by the Administration, and the cost of issuance, if the bond proceeds are deposited in the Bay Restoration Fund;

(2) To provide grant awards to wastewater treatment plants whose users have contributed to the Bay Restoration Fund for up to 100 percent of the eligible cost to upgrade wastewater treatment plants to enhanced nutrient removal treatment levels at the design capacity approved by the Department;

(3) For a portion of the operation and maintenance costs, starting in FY 2010, of wastewater treatment plants that operate at the enhanced nutrient removal treatment levels, not to exceed 10 percent of the amount deposited into the Wastewater Fund annually;

(4) Starting in FY 2016, to provide for up to 87.5 percent of project costs relating to combined sewer overflow abatement, rehabilitation of existing sewers, and upgrading conveyance systems, including pumping stations;

(5) To provide for up to 100 percent of project costs for the implementation of a stormwater alternative compliance plan, authorized by a local government pursuant to Environment Article, §4-202.1(K)(3), Annotated Code of Maryland, and undertaken by an organization exempt from taxation under IRS §501(C)(3) or §501(C)(4) or §501(C)(19) or §501(D);

(6) Starting in FY 2018, for additional funding to be used in accordance with Regulation .04 of this chapter for the upgrade of onsite sewage disposal systems and other eligible uses pursuant to Environment Article, §9-1605.2(h)(2)(i)1, Annotated Code of Maryland;

(7) Starting in FY 2018, to provide for up to 50 percent of the eligible cost of cost-effective and efficient stormwater projects, INCLUDING PROJECTS RELATING TO WATER QUALITY, CLIMATE RESILIENCY, OR FLOOD CONTROL, undertaken by local governments who have implemented a system of charges. To be eligible for funding, the local governments shall show evidence of funds set aside and available to cover the balance of project costs;

(8) To provide for the Department's reasonable operating expenses to administer the Bay Restoration Wastewater Fund not to exceed 1.5 percent of the fees deposited into the Wastewater Fund annually;

(9) To provide for future upgrades of wastewater treatment plants to achieve additional nutrient removal or water quality improvements at ENR treatment levels or better;

(10) To earn interest;

(11) To purchase nitrogen, phosphorus, and sediment load reductions.

B. Project Prioritization.

(1) Before FY 2018, priority for funding shall be:

(a) First for ENR upgrades at wastewater treatment plants with a design capacity of 500,000 gallons per day or more that discharge to the Chesapeake Bay;

(b) Second for the most cost-effective ENR upgrades at wastewater treatment plants with a design capacity of less than 500,000 gallons per day that discharge to the Chesapeake Bay;

(c) Third for ENR upgrades at wastewater treatment plants that discharge into the Atlantic Coastal Bay or other waters of the State;

(d) Fourth for future upgrades of wastewater treatment plants to achieve additional nutrient removal or water quality improvements at ENR treatment levels or better;

(e) Fifth for combined sewer overflow abatement projects, rehabilitation of existing sewers, and upgrading conveyance systems, including pumping stations.

(2) Starting in FY 2018, priority for funding shall be:

(a) First for ENR upgrades at wastewater treatment plants with a design capacity of 500,000 gallons per day or more that discharge to the Chesapeake Bay;

(b) Second for the most cost-effective ENR upgrades at wastewater treatment plants with a design capacity of less than 500,000 gallons per day that discharge to the Chesapeake Bay, based on their project ranking in accordance with §C of this regulation;

(c) Third for ENR upgrades at wastewater treatment plants that discharge into the Atlantic Coastal Bay or other waters of the State, based on their project ranking in accordance with §C of this regulation;

(d) Fourth for future upgrades of wastewater facilities to achieve additional nutrient removal or water quality improvements at ENR treatment levels or better, based on their project ranking in accordance with §C of this regulation;

(e) Fifth for purchase of nitrogen, phosphorus, and sediment load reductions in accordance with §F of this regulation;

(f) Sixth for any of the following types of projects based on their project ranking in accordance with §C of this regulation:

(i) Combined sewer overflow abatement, rehabilitation of existing sewers, and upgrading conveyance systems, including pumping stations;

(ii) Nitrogen reduction of onsite sewage disposal systems in accordance with Regulation .04 of this chapter;

(iii) Stormwater projects, INCLUDING PROJECTS RELATING TO WATER QUALITY, CLIMATE RESILIENCY, OR FLOOD CONTROL, by local governments who have implemented a system of charges; and

(iv) Stormwater alternative compliance plans.

C. Ranking System. The Department shall request and accept applications for financial assistance annually and prepare a project priority list that ranks individual projects according to the methodology developed by the Department based on the following factors:

(1) Nutrient loads currently discharged and projected nutrient load reduction;

(2) Cost-effectiveness in providing water quality or public health benefits;

(3) Relative effectiveness of water quality benefit to the Chesapeake Bay or other body of water identified by the Department as impaired under Section 303(d) of the Clean Water Act;

(4) The existence of an Administrative or Civil Compliance Order or of a compliance schedule in a discharge permit;

(5) Sustainability AND OTHER benefits such as water reuse, asset management, full cost pricing, energy conservation, ~~and~~ smart growth, CLIMATE RESILIENCY AND FLOOD CONTROL;

(6) Readiness to proceed to construction.

D. Funding Allocation. Each fiscal year, the total available grant funds, net of revenue needed for payment of debt service on outstanding bonds, operation and maintenance grants, and allowed operating expenses shall be allocated in priority order to construction ready projects in accordance with §§B and C of this regulation.

COMAR 26.03.13.04

.04 Onsite Sewage Disposal System Fund.

A. Bay Restoration Fund fees deposited into the Onsite Sewage Disposal System Fund shall be used:

(1) To provide grants or loans up to 100 percent for:

(a) The cost to upgrade an existing onsite sewage disposal system with the best available technology for the removal of nitrogen;

(b) The cost difference between a conventional onsite sewage disposal system and an onsite sewage disposal system that utilizes the best available technology for the removal of nitrogen;

(c) The cost of replacing multiple onsite sewage disposal systems located in the same community with a new community sewerage system that is owned by a local government and that meets enhanced nutrient removal standards, and the cost may not exceed the sum of the cost difference between conventional onsite sewage disposal systems and new onsite sewage disposal systems that use the best available technology for removing nitrogen; and

(d) The cost of connecting a property using an onsite sewage disposal systems to an existing wastewater treatment plant that meets, OR HAS SIGNED A FUNDING AGREEMENT WITH THE DEPARTMENT AND IS UNDER CONSTRUCTION TO MEET, either enhanced nutrient removal or biological nutrient removal standards. This cost may not exceed the sum of the cost of onsite sewage disposal systems that include best available technology for removing nitrogen. This cost may include payment of principal, but not interest, of debt issued by a local government for such connection.

(2) To provide grants or loans up to 100 percent for the cost of repairing or replacing failing onsite sewage disposal systems with a system that uses the best available technology for the removal of nitrogen. This option is available only to low-income homeowners. The cost is the total cost of repair, replacement and upgrade including wastewater disposal drainfields, provided that funds are available after addressing the priorities listed in Regulation .04A(1)(a) and (b) of this chapter.

(3) For the Department's operating expenses, including technical assistance, to administer the Bay Restoration Onsite Sewage Disposal System Fund not to exceed 8 percent of fees deposited into the Onsite Sewage Disposal System Fund.

(4) For expenses of a local public entity, not to exceed 10 percent of the fees deposited into the onsite sewage disposal system fund, to administer, enforce, and implement regulations adopted by the Department and delegated to the local public entity, for the reduction of nitrogen using best available technology at onsite sewage disposal systems.



Maryland
Department of
the Environment

BRF O&M Grant Proposal & Maryland's Phase III WIP

BRFAC
October 15, 2020

Greg Busch
gregory.busch@maryland.gov



BRF O&M Grant Proposal

- No change to BRF O&M base grant
 - 10% of BRF wastewater available for O&M payments
 - For plants that achieve ENR concentrations
 - 3.0 mg/L or better for nitrogen and 0.3 mg/L for phosphorus
 - \$30k per year per 1 MGD design capacity
 - Minimum grant is \$30k per year
 - Grant is capped at \$300k per year
- Proposed changes:
 - Remaining money to pay for performance better than 3.0 mg/L nitrogen
 - BRF O&M pays for each pound of reduction
 - Estimated to be \$5-10 per pound
 - Credits purchased by MD are retired and cannot be traded or sold to another buyer



Phase III WIP

- 2017 – 2025 reductions
 - 2 main drivers of near-term nutrient reductions
 - **Agriculture:** 4.6 M annual pounds N (0.17 M lbs P)
 - Accelerate implementation of conservation practices
 - **Wastewater:** 4.7 M annual pounds N (0.12 M lbs P)
 - Incentivize wastewater performance
- Additional required reductions
 - 2025 Climate Change:
 - 1.15 M annual pounds N (0.11 M lbs P)
 - Conowingo WIP:
 - 6 M annual pounds N (0.26 M lbs P)



Phase III WIP for Wastewater

- Set statewide operational WWTP goal of 3.25 mg/L
- Three incentive programs for WWTP performance
 - BRF O&M Grant
 - BRF Clean Water Commerce Act
 - Water Quality Trading Program



Wastewater Incentives

- BRF O&M Grant
 - Incentive to reach 3.0 mg/L
- BRF Clean Water Commerce Act
 - Incentive to go below 3.0 mg/L
 - Final solicitation is complete
- Water Quality Trading Program
 - Incentive to go below 3.0 mg/L
 - Demand is low compared to total wastewater loads
 - 2018 trades: 35k pounds N and 5k pounds P
- **Need a program:**
 - To incentivize performance below 3 mg/L
 - With greater capacity than current programs



Achieving WIP3 and beyond

- Every 0.1 mg/L of improved nitrogen performance
 - Yields 150k pounds of additional reductions
 - For P, 0.01 mg/L reduces 15k pounds
 - To reach our climate change goals, reductions of:
 - 0.75 mg/L nitrogen → 2.5 mg/L goal
 - 0.075 mg/L phosphorus → 0.225 mg/L goal
 - Some WWTPs can achieve:
 - 1.5 mg/L nitrogen
 - 0.075 mg/L phosphorus



BRF O&M Proposal

- Shift to a pay-for-performance framework
 - Each additional pound of reduction yields a higher payment
 - Currently it's a binary, all-or-nothing goal of 3.0 mg/L
- Incentivize performance below 3.0 mg/L
 - Reward WWTPs that are helping to achieve MD's WIP
 - Encourage other WWTPs to do the same
- Consistent with other MD initiatives
 - Trading Program and Clean Water Commerce Act
 - Every pound purchased is retired
- Proposal is cost-effective
 - \$5-10 per pound of nitrogen reductions